

HOUSE BILL No. 1324

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 15-11-4-3.

Synopsis: Agricultural land assessments. Provides that for purposes of the March 1, 2015, assessment date, the statewide agricultural land base rate value per acre used to determine the value of agricultural land is \$2,050 per acre (the base rate used for the 2014 assessment date). Provides that after 2015, the growth in adjusted assessed value is either 2%, 5%, or 8% depending on conservation practices. Beginning with the 2016 assessment year, requires the department of local government finance to certify the various rates that may apply. Provides that a taxpayer that wishes to receive the benefit of having conservation tillage or cover crops must file a request with the county assessor's office.

Effective: January 1, 2015 (retroactive).

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January 13, 2015, read first time and referred to Committee on Ways and Means.



First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1324

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-1-4.3 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2015 (RETROACTIVE)]: **Sec. 4.3. "Conservation**
4 **tillage" has the meaning set forth in the United States Department**
5 **of Agriculture, Natural Resources Conservation Service Practice**
6 **Standard Codes 329 and 345.**

7 SECTION 2. IC 6-1.1-1-4.7 IS ADDED TO THE INDIANA CODE
8 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
9 JANUARY 1, 2015 (RETROACTIVE)]: **Sec. 4.7. "Cover crops" has**
10 **the meaning set forth in the United States Department of**
11 **Agriculture, Natural Resources Conservation Service Practice**
12 **Standard Code 340.**

13 SECTION 3. IC 6-1.1-4-4.5, AS AMENDED BY P.L.112-2012,
14 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JANUARY 1, 2015 (RETROACTIVE)]: **Sec. 4.5. (a) The department**



of local government finance shall adopt rules establishing a system for annually adjusting the assessed value of real property to account for changes in value in those years since a reassessment under section 4 or 4.2 of this chapter for the property last took effect.

(b) Subject to subsection (e), the system must be applied to adjust assessed values beginning with the 2006 assessment date and each year thereafter that is not a year in which a reassessment under section 4 or 4.2 of this chapter for the property becomes effective.

(c) The rules adopted under subsection (a) must include the following characteristics in the system:

(1) Promote uniform and equal assessment of real property within and across classifications.

(2) Require that assessing officials:

(A) reevaluate the factors that affect value;

(B) express the interactions of those factors mathematically;

(C) use mass appraisal techniques to estimate updated property values within statistical measures of accuracy; and

(D) provide notice to taxpayers of an assessment increase that results from the application of annual adjustments.

(3) Prescribe procedures that permit the application of the adjustment percentages in an efficient manner by assessing officials.

(d) The department of local government finance must review and certify each annual adjustment determined under this section.

(e) In making the annual determination of the **gross assessed value** base rate to satisfy the requirement for an annual adjustment under subsection (c) for current property taxes first due and payable in 2011 and thereafter, the department of local government finance shall determine the **gross assessed value** base rate using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of the department of local government finance's Real Property Assessment Guidelines (as in effect on January 1, 2005), except that the department shall adjust the methodology to:

(1) use a six (6) year rolling average adjusted under subdivision

(2) instead of a four (4) year rolling average; and

(2) eliminate in the calculation of the rolling average the year among the six (6) years for which the highest market value in use of agricultural land is determined.

(f) For assessment dates after December 31, 2009, an adjustment in the assessed value of real property under this section shall be based on the estimated true tax value of the property on the assessment date that is the basis for taxes payable on that real property.



SECTION 4. IC 6-1.1-4-13.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015 (RETROACTIVE)]: **Sec. 13.2. (a) Notwithstanding the provisions of this chapter and any real property assessment guidelines of the department of local government finance, the property tax assessment of agricultural land for the March 1, 2015, assessment date, the statewide agricultural land base rate value per acre used to determine the value of agricultural land is two thousand fifty dollars (\$2,050). This amount:**

(1) shall be substituted for any agricultural land base rate value included in the Real Property Assessment Guidelines or any other guidelines of the department of local government finance that apply for those assessment dates; and

(2) is both the gross assessed value and the adjusted assessed value for the March 1, 2015, assessment date.

(b) This section expires January 1, 2017.

SECTION 5. IC 6-1.1-4-13.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015 (RETROACTIVE)]: **Sec. 13.3. (a) This section applies to assessment dates after December 31, 2015.**

(b) The adjusted assessed value for agricultural land is the lesser of the gross assessed value base rate for agricultural land under section 4.5(e) of this chapter or the following:

(1) If it is agricultural land that uses conservation tillage and cover crops, the adjusted assessed value of the prior year for agricultural land that uses conservation tillage and cover crops plus two percent (2%) of the adjusted assessed value of the prior year for agricultural land that uses conservation tillage and cover crops.

(2) If it is agricultural land that uses conservation tillage or cover crops, but not both, the adjusted assessed value of the prior year for agricultural land that uses conservation tillage or cover crops plus five percent (5%) of the adjusted assessed value of the prior year for agricultural land that uses conservation tillage or cover crops.

(3) If it is agricultural land that does not use either conservation tillage or cover crops, the adjusted assessed value of the prior year for agricultural land that does not use either conservation tillage or cover crops plus eight percent (8%) of the adjusted assessed value of the prior year for agricultural land that does not use either conservation tillage



or cover crops.

(c) The department of local government finance shall give notice of the adjusted assessed values described in this section as part of its certification of the gross assessed value base rate under section 4.5(e) of this chapter.

(d) The department of local government finance shall work with the division of soil conservation in adopting the method and process of verifying the adoption of conservation tillage and cover crops on agricultural land.

(e) The department of local government finance shall establish a procedure to be used by a taxpayer that uses conservation tillage or cover crops, or both, to file with the county assessor a request for the determination of adjusted assessed value as provided in this section.

SECTION 6. IC 15-11-4-3, AS ADDED BY P.L.2-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015 (RETROACTIVE)]: Sec. 3. (a) The division shall do the following:

(1) Provide administrative and staff support for the soil conservation board.

(2) Administer all programs relating to land and soil conservation in Indiana.

(3) Manage Indiana's watersheds.

(4) Administer the clean water Indiana program.

(5) Perform other functions assigned by the secretary or the director.

(6) Verify conservation tillage and cover crop adoptions as required by IC 6-1.1-4-13.3.

(b) The duties of the division do not include administering the Lake Michigan Coastal program. The Lake Michigan Coastal program shall administer the state's compliance with and provide assistance under the federal Coastal Zone Management Act (16 U.S.C. 1451 et seq.).

(c) The duties of the division do not include those listed in IC 14-32-7-12(b)(7).

SECTION 7. An emergency is declared for this act.

